



State of Wisconsin  
**Department of Health and Family Services**

Jim Doyle, Governor  
Helene Nelson, Secretary

### Chronic Disease Program Re-estimate

	FY 04		FY 05	
	GPR	All Funds	GPR	All Funds
Reestimate caseload	(\$255,800)	\$17,200	\$255,800	\$528,800

### Description of Proposal

- Reestimate caseload and expenditures for the Wisconsin Chronic Disease Program.
- Make programmatic changes that would help contain costs in the Chronic Disease program. The changes include:
  - a requirement that applicants apply for other state-funded health insurance programs, including Medicaid, before applying for assistance from the Disease Aids program, and
  - a provision that allows the program to adopt managed care methods of cost containment.
  - In addition, drug copayments for brand name drugs are increased to \$15.
- Lower the income level at which recipient deductibles are required from 300% to 200% of the federal poverty level. In addition, increase current income deductibles by 0.25%. Income deductibles are set at a certain percentage of income, ranging from 0.75% of annual family income for individuals whose income is 300% to 325% of poverty, to 4% of income for individuals whose income is above 400% of poverty.

### Background

- The Wisconsin Chronic Diseases Program (WCDP) provides payments to health care providers for disease-related services for individuals with chronic renal disease, adult cystic fibrosis, and hemophilia.
- Recipients must pay an annual deductible amount and a copayment (liability) on medical costs based on family income and family size. In addition, recipients must pay a copayment on drugs of \$5 for generic drugs and \$10 for brand name drugs. A recipient in a family size 2, for example, with income of \$33,000 annually, would pay 1.5% of income, or \$495 annually, for medical expenses, before qualifying for WCDP benefits.
- Eligibility for the program is open to individuals of all income levels. Recipients are subject to copayments and deductibles based on income. Currently, the deductible requirement affects recipients whose annual income exceeds 300% of the federal poverty level.
- There is an annual cap on liability, which includes both the deductible and copayments. A family's liability cap varies with income. A family with an income of \$25,000, for example, would have a cap of \$1,250.
- Approximately 6,800 individuals are enrolled in the program. The Department processed claims for 1,678 individuals in CY 2002.

- A drug rebate program has been implemented for WCDP, comparable to the Medicaid (MA) drug rebate program. Revenues from this program are used to offset a portion of the program's costs.

### **Rationale for Proposal**

- It is necessary to control expenditures in this program, so that the available funding can be used to provide services to as many recipients as possible.
- Setting the income level at which the deductible requirement becomes effective at 200% of poverty imposes additional cost-sharing on the program clients with relatively higher income levels.
- Increasing the drug copayment for brand name drugs is consistent with the co-pay policy used in Senior Care.